

**Iowa Telecommunications & Technology Commission
Grimes State Office Building, 1st Floor
400 E. 14th Street, Des Moines, IA 50319**

FINAL

March 31, 2011

To ensure the most efficient use of State resources, the March 31, 2011, ITTC meeting was held via a video conference pursuant to Iowa Code section 21.8. A video conference call also ensured more Commissioners were able to participate in the meeting and reduced the risk of delays caused by weather or other impediments to travel. The meeting was accessible to members of the public through attendance at the Grimes State Office Building.

Commissioners Present

Betsy Brandsgard, Chairperson
Robert R. Hardman, Member
Timothy L. Lapointe, Member
Shannon Cofield, Member
Richard Bruner, Member
David A. Vaudt, Ex-Officio Member

Iowa Communications Network Staff Present:

Dave Lingren, Executive Director
Joseph Cassis, Business and Governmental Services (BGS) Director
Kevin Heinzeroth, Finance Director
Will Walling, Network Operations & Engineering Director
Deb Evans, Finance Manager
Phil Groner, Business Services Manager
David Marley, Network Operations & Engineering Manager
Tami Fujinaka, Government Relations Manager
Jontell Harris, Marketing & Communications
Alexis Slade, Executive Secretary (Recorder)

Guests:

Mark Johnson, Department of Administrative Services
Terry Rinehart, Iowa Public Television
Michael Eggley, Iowa Network Services Inc
John Korkie, QWEST
Roger Adams, QWEST
Meghan Gavin, Attorney General's Office
Sheila Navis, Rural Iowa Independent Health Fund Associations (RIITA)
Joe Hrdleka, Iowa Telecommunications Association (ITA)

Call to Order

Chairperson Brandsgard called the meeting to order at 10:10 am. It was noted that a quorum of members were present for the meeting.

Approval of the 11/18/2010 and 2/16/2011 Meeting Minutes:

Commissioner Hardman moved for approval of the November 18, 2010, and February 16, 2011, meeting minutes; Commissioner Cofield seconded the motion: A roll call vote was taken; Minutes approved.

Commissioner Hardman – Yes
Commissioner Bruner – Yes
Commissioner Cofield – Yes
Commissioner Lapointe – Yes
Commissioner Brandsgard – Yes

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Minutes approved at the May19, 2011, ITTC Meeting

Old Business:

Broadband Technologies Opportunities (BTOP) Grant Update – Joseph Cassis/Kevin Heinzeroth

The BTOP team encountered a challenge a little after the Findings of No Significant Impact (FONSI) was received. The Federal Government heard about House File (HF) 45; the taxpayer bill the House Republicans created that includes language that mandates the ITTC create a Request for Proposal (RFP) for the sale or lease of the ICN. The passing of HF 45 gave the Federal Government means for concern. The BTOP Director inquired as to how the ICN will be able to complete the BTOP project if sold or leased. ICN emphasized that the project and RFP are two unrelated situations with no negative impact on the BTOP project. In addition to HF 45, the ICN encountered some potential budget overages caused by the delay in receiving the FONSI, which could potentially increase the number of engineers required to meet the timeline of the project. ICN requested an extension of the completion deadline for the project by 18 months, but the request was denied. Because of these uncertainties and the fact that the ICN may or may not be able to continue the BTOP project, the Director of the BTOP Program requested that the ICN explain their situation and how we would be able to continue participating in the BTOP project.

The team was able to overcome the initial potential of budget overages. The team was also informed that the five year Indefeasible Rights of Use (IRU's) being contemplated for this project are now going to be considered as operating costs and not be capitalized, which impacted the project budget by \$4.4 million on top of the matching funds the ICN has to provide. The ICN also received a Special Award Condition (SAC), which involves any potential overlaps caused by any other federal grants that were awarded in both the BTOP and Broadband Initiatives Program (BIP) (a program within the Rural Utilities Services, the USDA side). With a SAC, the Federal Government is verifying whether or not awardees are going to build out or provide connectivity to the same place with federal funds. Initially, there were 21 entities that could have that situation in Iowa. The ICN was tasked with finding out if those entities were going to build in the same location and the specifics of their project. The problem with that is the ICN would be asking these entities (our competitors) for their trade secrets. The ICN brought this to the attention of the Federal Government and the fact that the ICN doesn't know who these entities are other than what was posted on the accountability and transparency website the Federal Government has. The Federal Government was able to reduce those 21 concerns to about two. The ICN has written a letter to address the concerns, and confirmation has been received that the Federal Government has accepted the letter. There were a few minor changes suggested by the government. The ICN will no longer be pursuing Decatur County in the same way within the BTOP grant. The ICN will be asking permission to shift some of the original funding for the IRU's to engineering so some of the resource requirements that ICN will need to meet the deadline can be offset. The third request by the ICN is to obtain clearance of all these potential overlaps so that when the ICN draws upon the money, and only later to find out that there is a condition that can't be met by the ICN and funds have to be returned when we've spent our matching funds to get there. A date of April 15, 2011, was set to have this resolved, which it has.

Q – Is the \$7 million ICN is obliged to match for the BTOP project the maximum amount?

A – The required amount the ICN needs to match is 30 percent of the money awarded, which is \$16.2 million, but the ICN will have other expenditures outside of that amount. The ICN is approaching this as part of our overall customer build outs and being able to supply and provide services necessary to augment the network for our current customers; the ICN is looking at this project as a way to enhance the overall network. The reason for the expenses beyond the \$7 million is because ICN has to obtain a contractor to assist with contract management, outside plant, field work, etc. Dave Lingren did set a limit of \$10.5 million the ICN will spend for the total project.

New Business:

Introduction of New ICN employee

Will Walling is ICN's new Director of Network Operations and Engineering Division. Walling is a telecommunications professional with over 34 years of experience in program management, software development, leadership, planning and development, budgeting, and customer interaction. Walling recently worked for Iowa Telecom (Windstream) as the Director of Engineering Planning where he administrated multiple telecommunications technologies, was responsible for database administration, network reliability, and was a leader for the inter-departmental network architecture. Prior to Iowa Telecom, Walling's corporate experience included: strategic planning consulting to FiberLink, Vice President of Engineering and Operations for Lighthouse Communications, and 24 years with US West.

Walling is a graduate of Iowa State University where he earned his Bachelor of Science degree in Electrical Engineering. Walling's professional organization memberships include the Software and Information Technology of Iowa (SITI) and the Association of Information Technology and Management (AITM).

Review 2011 ICN Budget to Actual Financials– Kevin Heinzeroth

Following is the Budget-to-Actual report for the first eight months of fiscal year (FY) 2011:

VIDEO SERVICES: Billing for video services through February 2011, were below the billing for services through February 2010, by \$379,171 and were 9.89 percent below the February 2011, budgeted amount. The ICN produced 105,720 hours through February 2011, which is down from the 117,344 hours produced through February 2010. Higher education and K-12 comprised the majority of the usage.

VOICE SERVICES: FY 2011 year-to-date Voice Service revenues through February 2011, were below revenues at this time last year by \$519,418 and were 3.57 percent below the FY 2011 budget figures. The largest sources of revenue were toll free usage, local access, and inmate calling.

DATA SERVICES: Gross revenues from data services through February 2011, are ahead of revenues in February 2010, year-to-date revenues by \$388,867 and are ahead of 2011 budgeted figures by 1.75 percent.

INSTALLATION REVENUES: Installation revenues for February 2011, are ahead of February 2010, by \$156,264 and below the February 2011, budget by 5.44 percent. Installation revenues fluctuate greatly depending upon current spending abilities of ICN customers. Budgeting is based upon prior year activity and can vary widely from actual.

INDIRECT, GENERAL & ADMINISTRATIVE EXPENSES: Indirect expenses for February 2011, are above budget projections for February 2011, by 0.58 percent and are \$835,196 above February 2010, expenditures. General and Administrative expenses for February 2011, are above February 2010, by \$289,752 and 4.83 percent below February 2011, budget projections.

EQUIPMENT and EQUIPMENT APPROPRIATION: For February 2011, the ICN had \$8,876 of equipment expenditures on approved project expenditures. Additionally the ICN expended \$19,030 to various vendors for approved minor equipment purchases. For February 2011, the ICN expended \$21,041 from the FY 2009 network equipment replacement appropriation and \$64,432 from the FY 2010 Generator Replacement appropriation.

BTOP: The ICN was awarded a \$15,057,054 BTOP grant on July 1, 2010. This three year federal grant is for the purpose of expanding high speed broadband services. The ICN is required to match the federal grant with \$7,134,685 cash and in-kind commitments. Thru February 2011, the ICN has expended \$369,600 toward the in-kind commitment. No federal funds have yet been committed or expended. For the month of February 2011, the ICN had a Net Cash generated from operations before equipment purchases of \$337,201.

Discussion:

The Budget to Actual for the end of February 2011, is back in the black for operations. For the year-to-date ICN spent \$578,000 for equipment purchases for operations, which puts the ICN \$1.4 million behind FY 2010's amount. The ICN is starting to receive income from the Rural Health Initiative project; the ICN has received \$112,000 so far from billings to the hospitals. ICN video hours and voice traffic is down, and the 800 services are down \$300,000 from where the ICN was in FY 2010. The line side desktop services are \$200,000 lower than where the ICN was in FY 2010. Keeping the ICN in the black is the Internet sales on the data side. Overall total data services are up \$400,000 from FY 2010. Reduction of expenses and increased revenues from the data size is also helping the ICN.

Q – The video hours are reviewed every year if not several times a year, and the trend has been that the video hours are going down. It appears that the current video hours are quite a bit low in FY 2011, is there any explanation for the dramatic downturn as of March 2011, and does the ICN expect it to recover?

A – There is a very rapid change to IP and Internet based video. The challenge for the ICN is that there are still schools using the traditional ICN video and do not have the monies to invest in anything else during these budget hard times. The ICN cannot leave them behind and discontinue services with them. That creates a challenge, but the ICN is making very good progress with early adopter beta testing. What's being allowed in IP video based classrooms is for users to interface with ICN traditional classrooms.

Q – How is the IP platform utilized, are there PC's, multiple computers at multiple desks or does it all go to a big screen from a central location?

A – It can be all of those. Video is not only distance learning, it's also video conferencing. In a video conferencing world there are those just using applications such as Skype, which is an Internet backbone. In the IP environment there might be a conference room where the main computer is displaying the information on the screen and people are viewing the information with individual computers.

Q – How will we charge for usage of Video Over IP?

A – The ICN has questions that will need to be answered by the AG's office and others. The AP requires that video rates be treated differently than the other rates ICN provides. The question with internet based video is whether or not it's internet or video?

K-12 Connections Update – Terry Rinehart, Iowa Public Television (IPTV)

Educator Survey Results

At the conclusion of each K-12 Connections ICN session, educators are asked to complete and submit an online survey. Survey results included the following:

- 100 percent of the educators responding strongly agreed or agreed that the content of the K-12 Connections ICN events were appropriate to their school/district curriculum.
- 100 percent of the educators responding either strongly agreed or agreed that their students benefited from participating in the K-12 Connections events.

Examples of Planned ICN Sessions

Iowa State Capitol Virtual Tour

Students will participate in an interactive virtual tour of the Iowa State Capitol. Students will be provided with a brief introduction to the functions of the three branches of Iowa's government and will receive a short lesson on the history of Iowa and its Statehouse.

Civil Rights

Paul Nemeth from the Civil Rights Commission will help students gain a broader understanding of civil rights. Learning a brief history of the American civil rights movement, students will discover a new awareness of their own diversity, rights, and liberties.

Youth@Work Teen Safety and Health in the Workplace

The purpose of this session is to engage students in thinking about safety on the job. Students will learn how to identify a hazard, how to control hazards, and what to do in an emergency. This is a beneficial session for teenagers preparing for summer employment.

Pond Life

Naturalists from the Warren County Conservation Board will help students learn about the insects and animals that depend upon pond habitats. Several live creatures will be on hand through the presentation.

Arbor Day and Earth Week Activities for Students

Iowa author Joan Klostermann-Ketels will guide students through observing various scenic photos. Providing quotes from her books, *Peronali Trees* and *Humani Trees*, Klostermann-Ketels will lead students through several activities. Further, a guest from the Iowa Department of Natural Resources will present students and teachers with ideas for various outdoor activities.

Discussion:

The K-12 Connections project is a collaborative effort between IPTV and the ICN to develop content for K-12 use in the school classrooms, helping to connect students in Iowa to experts and experiences that they might not otherwise have without this opportunity being provided. The teachers who are using the service are very supportive of it and enjoy it. The ICN hours so far for 2011, are down compared to the hours in 2010, which was a record year. One of the questions IPTV asked the participants in this survey was whether they felt the K-12 Connection was appropriate to their school. 100 percent of the teachers this quarter said "it's appropriate to their curriculum and their students benefited from participating in these events."

IPTV is trying to increase those connection hours. One thing IPTV found is that the sessions that tie into the PBS children programming IPTV broadcasts is very popular. IPTV is hosting a big event on April 14, 2011. IPTV has been working with the University of Northern Iowa on the Elementary Literacy and Reading Conference that takes place there. The author of the children's Arthur book series will conduct a presentation, by way of an ICN session, at the conference. IPTV has done a lot of ICN sessions based on the book *Arthur* in the past, so this will be a big session connecting the children in the classrooms to the actual author of the books. IPTV is also trying to increase the number of classroom type sessions for educators.

IPTV moved to a new electronic e-news letter system which will give the educators a better graphic look; IPTV is trying to increase the appeal to the educators. IPTV is also including more information about the ICN sessions being provided.

Q – Within the K-12 community is it K-6 that has the heaviest K-12 Connection use?

A – Yes.

Q – Was there something in 2010, which contributed to the ICN hours being so high, such as certain programs that were particularly popular, and what was the reason for the current downturn? Is there something about 2010 that can be duplicated?

A – In 2010, professional development was a growing area for IPTV. Professional development was at about 30 percent of the total hours generated and for 2011 it's only at 10 percent. Part of the reason for the decrease is that there will be new direction coming out of the Department of Education (DOE) as a result of the education summit occurring in July 2011, and the new strategic direction. Another factor is that a lot of the people who worked with IPTV as presenters are no longer with their organizations, they've either retired or have moved on to another organization, so that could have affected those numbers as well. Then there is the use of other technologies the different teachers in schools may be using to provide a similar kind of experience.

Q – Is IPTV moving to any kind of desktop platform or is the sole focus on the big screen video platform?

A – IPTV believes multiple platforms are the better solution.

Legislative Session Update – Dave Lingren/Mark Johnson

There are three major initiatives the ICN is dealing with. The first one is HF 45, which is now law that the ICN must create an RFP for the sale/lease of the ICN. The second initiative is the spending cap for the BTOP project. Currently, Chapter 8D in the Iowa Code limits the ICN from spending over \$2 million on one purchase. The replacement of the core electronics for the BTOP project will cost more than that by a significant amount. There's language in HF 209 that waives the requirement for legislative approval of ICN purchases exceeding \$2 million for purchases related to the BTOP grant. Currently the bill is held up in a Conference Committee.

The third initiative is HF 254, a bill that remove the waiver requirements for specific ICN Certified Users including Independent Colleges and Universities as well as private schools if they desire to use another telecommunications or Internet provider for telecommunications services. Language was introduced by both the Senate and the House which deals differently on this issue. The House version wants to abolish the entire waiver concept and allow all certified users to obtain whatever services they want without having to go through the waiver process. The Senate version modified the language some and said that abolishing the waiver process for the private and independent Colleges and Universities is okay, but they believe there still should be some waiver processes for the tax based entities so there is oversight to ensure tax dollars are being spent appropriately. The Senate chose to adopt the House version which is to abolish waivers entirely. Now the bill needs to be brought to the Senate floor for debate before it can then be enrolled and sent to the Governor for action. That hasn't happened yet and there are still three to four weeks of the session, so the ICN doesn't know where that's going to go. The only other action is the confirmation for Commissioners Lapointe, Bruner, and Cofield has happened, but ICN is still waiting on the confirmation of Lingren.

Q – What is the volume of certified users in Iowa and if these users were not required to have a waiver process and went elsewhere what would be the effect on the ICN?

A – The ICN estimated this change would affect ICN's annual revenue by approximately \$1.2 million.

Q – Will the ICN still be competitive with these certified users even if they are not required to go through the waiver process?

A – Yes, ICN believe those users are still making economic decisions and if ICN's rates are attractive they'll seek our services.

Q – Does the bill stipulate a notification process?

A – No. If the certified users are in a contract with the ICN the contract will provide specific termination liability. If the user has a month-to-month agreement the contract specifically says they have to give the ICN 30 days advanced notice before they terminate services.

Q – What happens if the bill isn't approved on the expense cap for the BTOP project, how does that affect the grant?

A – The ICN would have to evaluate where expenses need to be cut associated with what needs to be bought.

Sale/Lease RFP – Dave Lingren

ITTC RFP Requirement

House File 45, Section 8, Reads:

“The Iowa Telecommunications and Technology Commission (ITTC) shall implement a Request for Proposal (RFP) process to sell or lease the Iowa Communications Network (ICN). The RFP shall provide for the sale to

be concluded or the lease to commence during the FY beginning July 1, 2011. The commission shall condition the sale or lease of the ICN with terms that will allow existing authorized users of the network to continue such use at a lower overall long-term cost when compared to the anticipated operation and maintenance costs if state ownership and control were to continue. Public funds shall not be used to secure the purchase of the network. The Commission shall submit periodic status reports to the general assembly at three-month intervals, beginning on October 1, 2011, regarding progress made toward selling or leasing the network.”

Discussion:

ICN’s concern is that the language provides minimal direction on how to accomplish the above stated tasks. Right now the bill is in the Governor’s office to administrate and work with the ICN. The ICN has a meeting scheduled with the Governor’s staff to discuss HF 45. ICN’s goal for the meeting is to obtain feedback and assistance with understanding whether or not the ICN is interpreting what is believed to be complications in getting this bill accomplished. There are some assumptions that have to be made because it’s not specifically spelled out in the law.

The ICN had discussions with Keystone Associates about the sale of the ICN. One of the issues that could arise is that anyone interested in buying an asset like the ICN will want an independent certified audit to see if what the ICN is claiming as assets are really assets. The audit can get as complicated as viewing outside plant diagrams, etc. It could take up to nine months just to do that audit. The ICN is suggesting that the appropriate way to go through the RFP process is to first determine if anyone wants to purchase the ICN. A complication with that alone is determining who decides how we pursue with what respondent. Once that’s completed there’d be a tentative agreement, not a signed contract, with some transition plan and while that’s moving forward simultaneously there will be an internal audit being performed that may change everything.

Q – If the Governor signs off on ICN’s plan on how to deal with HF 45 what’s next?

A – ICN would perform the work but would have a representative from the Governor’s office, the two political parties, the chambers, Community Colleges and other affected members of the ICN user base to advise the ICN. The ICN would then move quickly to create an RFP based on some of those assumptions brought to the attention of the Governor’s office.

Q – How do you hire someone to put together a RFP of this magnitude?

A – The ICN would create an RFP to find an individual or company to do the RFP. Because the ICN is a state government entity we have to abide by procurement law, which is a two to three month process and would come out of the overall time to complete what is asked in the bill. The ICN asked the Attorney General’s (AG’s) office about sole sourcing but was advised that we don’t want to do that. The ICN has worked with the Senate Democrats and did a cursory with the Senate Republicans and have initiated at the staff level to the speaker about putting an amendment on one of the bills remaining to extend the timeframe.

Q – Is Iowa unique in that they have this communications network?

A – Today ICN is one of the largest state education networks; there is another ICN in Illinois. The difference is that Illinois Century Network combines state owned assets with assets owned by the private owned sector. The ICN has a little less than 8,500 miles of fiber optic, of which the state only owns 3400 miles and the rest is provided by the industry.

Rural Health Initiative Update – Dave Lingren

Revenue is coming in and the ICN is starting to recover some of the expenditures. There are 32 hospitals connected and doing well.

Strategic Plan Update/Discussion – Dave Lingren

Columns have been added to the strategic plan document that show when items have been completed and the dates they were completed. If there is a revised due date, comments can be added explaining the reasons for the change.

Chairperson Brandsgard wants to discuss the strategic plan in more depth at another meeting to make sure the ITTC agrees with the document.

Q – When and how was the strategic plan circulated?

A – It is currently on the ICN website.

Q – Has there been any feedback on the plan?

A – No.

Q – When is the ICN required to review the Strategic Plan again?

A – It's ongoing, the plan is for 2011-2014 and some periodic dates have been set for reviewing the report. As far as updates with the Governor's office, there is no set timeframe the ICN has to meet specific milestones.

Organizational Structure Changes – Dave Lingren

Lingren restructured ICN's organization. Previously ICN's three Telecom Administrators, the Deputy Director and the Chief Financial Officer reported directly to Lingren. The structure was changed the Telecom administrators reporting to the senior management level instead of having all six members of the management team reporting to Lingren, which would allow for more timely direction and response. At the director level Heinzeroth is now the Finance Director, Cassis is the director of Business and Government Services. The ICN used to have a Service Delivery Division in which Groner managed and Cassis was managing the Government and Public Relations Division. Those divisions were combined. Will Walling was hired as the Director of Network Operations and Engineering. Each division director has a Telecom Administrator to help manage and be more in the day-to-day working role with the employees. Marley is working with Walling, Groner is working with Cassis and Evans is working with Heinzeroth.

Action on Proposed Administrative Rules – Tami Fujinaka

The ICN had to submit new administrative rules due to the organization restructure. The ICN also had a couple of advisory committees included in the administrative rules; the telemedicine advisory committee and the telecommunications advisory committee. Neither of those committees has been in action for several years. If the ITTC removes those committees there will still be language in the administrative rules that allows the Commission to develop advisory committees as needed. A new step has also been added to the administrative rules process. For the past 12 years when the ICN did administrative rules we went directly into the process of having the rules changed. ICN is now required to go through the Governor's office first for approval before we can start the administrative rules process.

Commissioner Bruner moved to notice the proposed Administrative Rules; Commissioner Hardman seconded the motion: A roll call vote was taken; the proposed Administrative Rules were approved.

Commissioner Bruner – Yes

Commissioner Cofield – Yes

Commissioner Hardman – Yes

Commissioner Lapointe – Yes

Commissioner Brandsgard – Yes

Action on Certified User Waiver Requests – Phil Groner

ICN has three internet waiver requests.

1. Graceland University
2. Indian Hills Community College
3. Mississippi Bend Area Education Agency (AEA)

ICN staff has reviewed these waivers and recommend approval.

ICN has three waiver requests for long distance service.

1. Hawkeye Community College
2. Grant Wood AEA
3. Graceland University

ICN staff has reviewed these waivers and recommend approval.

Discussion:

The ICN received four waivers for long distance toll free services. The reason for long distance waivers is because the ICN cannot provide a caller ID feature. The ICN has a long distance telephone switch that serves our long distance customers and currently it is not enabled to provide outbound caller ID for the long distance services. The ICN could provide the feature, but there's a cost associated with doing that which was weighed against the cost of the certified users not using the service. The cost would be significant to move our telephone switch to that level as opposed to the revenue that might be lost.

Mississippi Bend AEA asked for an Internet waiver. In their bid they asked for two years of services and the ICN prices are higher than a competitors'. Indian Hills Community College was offered a one year rate from Mediacom, when compared with ICN's month-to-month price there is quite a disparity between our price and Mediacom's one year term. The ICN does not offer a one year term. Graceland University currently has a waiver for redundant Internet service from the Commission. What they're asking for in this waiver is to switch their provider. Graceland University still has a primary connection with the ICN and will continue that primary connection, but is requesting a different provider for Internet backup. Graceland University is also asking for a waiver for the replacement of a T1 connection between two of their campuses. ICN currently provides that service in-state through a hub and another exchange carrier takes that out of state to Graceland's other campuses. Graceland University states they can acquire a NTLS based service that has a hub out of their out of state campus. Graceland University is seeking a three year waiver which coincides with the contract that AT&T has delivered to them for these services.

Commissioner Bruner moved for approval of Grant Wood AEA waiver request; Commissioner Lapointe seconded the motion: A roll call vote was taken; Waiver approved.

Commissioner Bruner – Yes
Commissioner Cofield – Yes
Commissioner Hardman – Yes
Commissioner Lapointe – Yes
Commissioner Brandsgard – Yes

Commissioner Hardman moved for approval for the Graceland University waiver requests; Commissioner Cofield seconded the motion: A roll call vote was taken; Waiver approved.

Commissioner Bruner – Yes
Commissioner Cofield – Yes
Commissioner Hardman – Yes

Commissioner Lapointe – Yes
Commissioner Brandsgard – Yes

Traditionally the ICN has granted a one year waiver and rarely has that been denied. There has been a time where the ICN sent the waiver request back because the Commissioners did not want to grant a three year waiver. The reason that was given for the three year waiver request was because they couldn't get a fair rate unless they went with a multiple year contract. At that time The ITTC's response was that they can rely on the Commissioners to grant them another waiver in the following years and the school was okay with that. ITTC has had a long standing policy of granting one year waivers and making the requestors come back with a request each year. With the new legislation the ITTC might want to consider extending the length of our waivers.

Q. Would the commission be willing to consider a proposal to go with multi-year waivers or maybe have ICN staff, in conjunction with the Chairperson, approve these waivers without the full Commissions approval?

A – Chapter 8D, Code of Iowa specifically says the Commission has to act on waivers. It doesn't allow Commissioners to give that authority to ICN staff. The ICN feels that the current waiver restrictions may pose an unfair advantage over other vendors. The ICN can offer two year contract rates to users and at the same time only allow a one year waiver, which is an unfair competitive advantage when the industry can provide better rates to users with a multi-year contract. Secondly, the Senate version of HF 209 specifically states and charges the Commission with approving three year contracts.

Commissioner Lapointe moved for approval of Hawkeye Community College waiver request; Commissioner Bruner seconded the motion: A roll call vote was taken; Waiver approved.

Commissioner Bruner – Yes
Commissioner Cofield – Yes
Commissioner Hardman – Yes
Commissioner Lapointe – Yes
Commissioner Brandsgard – Yes

Commissioner Hardman moved for approval of Indian Hills Community College waiver requests; Commissioner Cofield seconded the motion: A roll call vote was taken; Waiver approved.

Commissioner Bruner – Yes
Commissioner Cofield – Yes
Commissioner Hardman – Yes
Commissioner Lapointe – Yes
Commissioner Brandsgard – Yes

Video Service Project (VSP) Update – Phil Groner

Belle Plaine Community School District (CSD) was ICN's first turn up for VSP services. Belle Plaine has one school in their district that has a full motion video classroom and another that has an IP video classroom. Belle Plaine is bridging services and running classes between the two. So far that has worked well for them and they like the service ICN offers. AEA 11 in Johnston, IA is converting one of their classrooms to a multi-use room very similar to Belle Plaine's classrooms. ICN is looking to conduct tests with Mercy Rural Health Medicine Consortium this spring. ICN has a RFP bid out for the equipment acquired to enable all this connectivity. Those bids are due back on April 15, 2011.

The ITTC currently has a rate sub-committee of one person, Commissioner Hardman. When the rate sub-committee was first formed rates were changed every six to 12 months, but now the rates need to be reviewed more frequently. It is not a requirement for the ICN to go through the rate sub-committee process. The ICN would like to propose that the Commissioners consider any rate changes be presented directly to the Committee.

Hardman made a motion to abolish the rate sub-committee and present rates directly to the Commissioners; Lapointe seconded the motion: A roll call vote was taken; Motion approved.

Commissioner Bruner – Yes
Commissioner Cofield – Yes
Commissioner Hardman – Yes
Commissioner Lapointe – Yes
Commissioner Brandsgard – Yes

Adjournment

Lapointe made a motion that the meeting be adjourned; Bruner seconded the motion.
With there being no further business, the ITTC meeting adjourned at 12:00 pm.

ATTESTED TO:



Betsy Brandsgard, Chair, Iowa Telecommunications and Technology Commission